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Item 14 (b) of the provisional agenda**
Social and human rights questions: social development

Establishment of the World Solidarity Fund

Note by the Secretary-General

The Secretary-General herewith transmits the report of the Administrator of the United Nations Development Programme (UNDP) entitled "Progress report on the measures taken for the operationalization of the World Solidarity Fund", submitted in accordance with General Assembly resolution 57/265 (see annex). In that resolution the Assembly requested the Secretary-General to request the Administrator of the United Nations Development Programme to submit to the Economic and Social Council at its substantive session of 2003 a progress report on the measures taken for the operationalization of the World Solidarity Fund and to ensure that the implementation of the resolution is reported on to the Assembly at its fifty-eighth session, under the agenda item entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)".

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** E/2003/100.

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Annex

Progress report on the measures taken for the operationalization of the World Solidarity Fund

Report by the Administrator of the United Nations Development Programme

Summary

The World Solidarity Fund, which was established in February 2003 as a trust fund of the United Nations Development Programme, is subject to the financial rules and regulations adopted by the Executive Board of the United Nations Development Programme/United Nations Population Fund. Since its establishment, steps have been taken to operationalize and publicize the Fund. It is proposed to establish a high-level committee, composed of people with practical experience in business, development and government, to define the strategy of the World Solidarity Fund. The Committee is expected to present its recommendations by November 2003. Following this exercise, the executive secretariat of the World Solidarity Fund will undertake the financing of projects, should funds become available.

1. Pursuant to General Assembly resolution 56/207, the Secretary-General was requested to submit to the Assembly, at its fifty-seventh session, a report containing his recommendations on the mechanisms, modalities, terms of reference, mandates and governance for the operationalization of a proposed world solidarity fund for poverty eradication.

2. The report of the Secretary-General on the proposal to establish a world solidarity fund for poverty eradication was submitted to the General Assembly on 2 July 2002 (A/57/137).

3. In September 2002, in Johannesburg, South Africa, the World Summit on Sustainable Development adopted its Plan of Implementation, in which it decided to establish a World Solidarity Fund.

4. The discussion on the establishment of the fund was held in the Second Committee of the General Assembly under the agenda item "Implementation of the first United Nations Decade for the Eradication of Poverty". Following discussion in the Second Committee, the Assembly adopted resolution 57/265, entitled "Establishment of the World Solidarity Fund".

5. In its resolution 57/265, the General Assembly: endorsed the decision of the World Summit on Sustainable Development to establish the World Solidarity Fund to eradicate poverty and promote social and human development in developing countries; underscored the voluntary nature of contributions to the Fund and the need to avoid duplication of existing United Nations funds; encouraged the role of the private sector and individual citizens relative to Governments in funding the endeavours; and entrusted the Administrator of the United Nations Development

Programme (UNDP) to take the necessary measures for the immediate operationalization of the Fund as a trust fund of the Programme.

6. In the same resolution, the General Assembly requested the Secretary-General to ask the Administrator of UNDP to submit to the Economic and Social Council at its substantive session of 2003 a progress report on the measures taken for the operationalization of the Fund. The present report is submitted in compliance with that request.

Operationalization of the World Solidarity Fund

7. The Administrator of UNDP is pleased to report that the World Solidarity Fund was set up in February 2003 as a trust fund of UNDP, subject to the financial rules and regulations adopted by the Executive Board of UNDP/UNFPA. At the time of writing, however, the Fund account has yet to receive contributions.

Proposed terms of reference of the World Solidarity Fund

8. In keeping with the terms of General Assembly resolution 57/265, the World Solidarity Fund will encourage the role of the private sector and individual citizens in funding its endeavours. Furthermore, the World Solidarity Fund will support requests received from Governments of developing countries for financing poverty alleviation projects, including initiatives from community-based organizations and small private sector entities.

9. It is important, in this regard, that the World Solidarity Fund, in implementing the terms of General Assembly resolution 57/265, not replicate existing operations of multilateral development institutions, but seek innovative ways of supporting poverty eradication projects. A first period, lasting until November 2003, will be devoted to the development of an innovative strategy for the World Solidarity Fund, prior to launching its project-based operations.

10. Such a strategy would aim to ensure that the World Solidarity Fund fills an important gap in development practice and that its operations are sustainable and lead to long-term, visible results.

11. Consequently, the Administrator of UNDP, pursuant to the proposals contained in the report of the Secretary-General (A/57/137), proposes the establishment of a high-level committee to define the strategy of the World Solidarity Fund. The committee would be composed of people with practical experience in business, development and government. The Committee will highlight best practices already under way and will suggest "next practices" in the form of actionable ideas that can be implemented in the next one to three years that will be both replicable and scalable.

12. The Committee's recommendations will be presented to the Secretary-General and will be forwarded for consideration by developing and developed countries as well as by national and multilateral development agencies.

13. The substantive work of the Committee will be undertaken under three main headings: financing mechanisms; government policy and institutions; and human resources. The Committee will thus examine alternative mechanisms to promote the financing of small and medium-sized enterprises. The Committee will also examine ways in which government policies and institutions can support private sector

growth and collaboration with government and civil society in the eradication of poverty. Finally, the Committee will also look at policies designed to create a critical mass of entrepreneurs in developing countries and those aspects of a national human resources strategy that have a bearing on fostering an indigenous private sector.

14. The Committee is expected to present its recommendations by November 2003. Following this exercise, the executive secretariat of the World Solidarity Fund, within UNDP, will undertake the financing of projects, should funds become available, to alleviate poverty by piloting the recommendations of the Committee.

15. The Administrator of UNDP has issued invitations to several prominent personalities in government and the private sector to join the Committee. The Government of Tunisia, which supported the World Solidarity Fund in the United Nations, has also offered to appoint a high-level personality as a member of the Committee.

Publicizing the World Solidarity Fund

16. The President of the Republic of Tunisia wrote to the Secretary-General on 27 December 2002 expressing his appreciation for his efforts in supporting the creation of the World Solidarity Fund and pledging the continuing support of Tunisia for the Fund.

17. Following the adoption of General Assembly resolution 57/265, the Administrator of UNDP issued a press release, on 20 December 2002, expressing his enthusiastic support for the creation of the Fund by the General Assembly. He noted that the World Solidarity Fund was an innovative mechanism that would support national development efforts along with the energy of community-based organizations, the commitment of individuals and the vibrancy of the private sector. He noted the important potential contributions of the World Solidarity Fund to the achievement of the Millennium Development Goals, in particular the goal of halving poverty by 2015. In his remarks, the Administrator of UNDP paid tribute to the pioneering efforts of Tunisia in supporting the creation of the Fund.

18. The Associate Administrator of UNDP visited Tunisia from 10 to 13 March 2003. In Tunisia, the Associate Administrator of UNDP discussed, inter alia, the creation of the World Solidarity Fund. The Tunisian authorities expressed their satisfaction with the creation of the Fund and pledged continued support for its implementation.

Recommendations

19. **The Economic and Social Council may wish to take note of the establishment of the World Solidarity Fund, as a trust fund of the United Nations Development Programme.**

20. **The Economic and Social Council may also wish to endorse the proposals for the operationalization of the World Solidarity Fund as describe above.**

21. **The Economic and Social Council may wish to recall paragraph 5 of General Assembly resolution 57/265 encouraging contributions to the World Solidarity Fund.**